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Contents

Better marketing for farm products—that, in a word, is the goal of the Agricultural Marketing Service.

AMS is an agency of the U.S. Department of Agriculture with a history dating back to the institution of the USDA Office of Markets in 1913.

AMS services range from the establishment and certification of quality grades—a program that had its start more than half a century ago—to the administration of the Plant Variety Protection Act which became law in 1970.

But whether old or new, all AMS functions and programs relate to that basic and complex process of moving food and farm products from producer to consumer. And their purpose is to help make that marketing process the most efficient, most dependable, most economical, and most equitable possible.

Marketing—and the Role of AMS	4
The Organization and Its People	7
Quality Assurance	9
What the Grades Are	9
Certifying the Quality	13
Egg Products Inspection	14
Market News—Facts Fast	15
Balancing Supply and Demand	18
Food Purchases	18
Food Marketing Alert	18
Industry Self-Help Programs	20
Marketing Agreements and Orders	20
Research and Promotion Programs	22
Toward Fair Play in Marketing	23
Perishable Agricultural Commodities Act	23
Federal Seed Act	24
Plant Variety Protection Act	27
U.S. Warehouse Act	27
Agricultural Fair Practices Act	29
Transportation Services	29
Federal Laws—Basis of AMS Programs	30

Marketing ...and the Role of AMS

If you are a typical American consumer, you shop for food once a week in a spacious, air-conditioned supermarket, select from about 8,000 items carried in stock by the store, and pay about 17 percent of your spendable income for your food purchases.

It's hard to realize that it was not always this way in this country—and is not today in most countries.

What makes the difference? Many factors enter in—a farming system that is the most productive and efficient in the world—a competitive enterprise economy that spurs individual initiative—the demands of consumers themselves for good quality, variety, convenience, and service. But still, the kind of food shopping that you take for granted today would not be possible without the smoothly functioning and highly efficient marketing system we have in this country.

This marketing system is the essential bridge between the producer of corn, milk, cattle, and other agricultural products, and the final consumer. It is a system that is highly complex, varied, and extensive—linking together a multitude of functions and individual decisions in a nation that spans 3,000 miles. It is many things to many people.

To our largely urban population, it is the whole process that keeps millions upon millions of us supplied with our daily food needs. It is the process that transforms the raw product into bacon, bread, canned and frozen fruits and vegetables, and countless other prepared foods—or brings it fresh from the fields—and gets it to each of us regularly, dependably, and safely for our 1,095 meals a year.

To the farmer, the producer of the raw products that make up this food supply, marketing is his sales outlet



and the source of his income. Depending on what he produces, he may market only once or several times a year—and these few transactions then determine his profit for an entire year's work.

To yet other millions of people, marketing is a weekly wage—a business—a means of livelihood. These are the people who buy and sell, transport, assemble, store, process, package, and merchandise the products of our Nation's farms. The manager of your food store is one of these people—so is the operator of the livestock market, the worker in the tomato cannery, the driver of the poultry truck, and the laboratory technician in the dairy plant. One out of every seven people works in the marketing of farm products—it employs more people than any other form of enterprise in this country.

Altogether, marketing is a process of immense economic value. For foods, more than two-thirds of the

cost—or the value—is added in marketing. For nonfood agriculture products, such as cotton, wool, and tobacco, marketing adds even more of the value. To an ever-increasing degree, the cost of marketing determines the price we pay for our food and other products of farm origin.

All of this adds up to the reasons why an efficient, fair, and economical marketing system is important to every person in this country.

To help attain just that is the purpose of USDA's Agricultural Marketing Service. Its mission is to service the marketing system, regulate, improve, and protect it—to help give force to the principle that our supply of food and other farm products shall move from producer to consumer quickly, efficiently, and with fairness to all.

That, in summary, is the job of AMS. It is a big job and a complex

job, like the marketing system itself. It is carried out in many different ways and with the help and cooperation of many people. State departments of agriculture, for instance, cooperate in several programs.

In one aspect of its work, AMS is responsible for underwriting the quality of much of the Nation's food supply. These services are directly in the interest of the consumer. Yet they also serve to facilitate trade and help the farmer by strengthening consumer confidence and demand.

In the same way, other services such as market news and marketing agreement and order programs that benefit the farmer directly also serve the interest of consumers and of business by making marketing more orderly and efficient.

Still other services, such as those that regulate the marketing of agricultural products, benefit equally the producer, the marketer, and the consumer.

Through its purchasing program, AMS also contributes to services that improve the diets of the Nation's school children and the needy—but farmers and the food trade also benefit directly as the result of wider markets and the removal of foods that are temporarily in excess supply.

In every kind of job that it does, the Agriculture Marketing Service truly serves the interest of all—that which we properly call the public interest. And the result is a breadth of choice for consumers unsurpassed anywhere in the world.

The Organization and Its People

To carry out its work, AMS maintains a nationwide organization, headquartered in Washington, D.C., but with most of its employees stationed across the country close to the people they serve.

The agency is headed by an administrator and two deputies.

Employees of AMS include professionals of many disciplines—economics, animal husbandry, biology, business administration, journalism, home economics, agricultural science— and others. And they include many specialists who are highly trained in their particular field, such as graders who are experts on one or more commodities.

These are the people who are AMS—who carry out, day by day, the many responsibilities of the agency, providing AMS services where and when they're needed.

They work closely with State departments of agriculture, trade organizations, producers, and those



A background in dairy technology and a good sense of taste are important in grading products such as cheese.

engaged in handling, processing, transporting, and distributing farm products.

The AMS organization includes seven commodity divisions—Cotton, Dairy, Fruit and Vegetable, Grain, Livestock, Poultry, and Tobacco—which provide the standardization, grading, and market news services for those commodities.¹ They also enforce such Federal laws as the Perishable Agricultural Commodities Act, the Federal Seed Act, and the Egg Products Inspection Act. These divisions have other functions, too, such as administering the marketing agreement and order program.

The Transportation and Warehouse Division administers the U.S. Warehouse Act and examines warehouses storing Commodity Credit Corporation stocks, protecting the interest of farmers and others in the stored commodities. This division also works with farmers and their organizations to obtain and maintain

just and reasonable rates and adequate services for the transportation of agricultural products and farm supplies.

Support services are provided by staff divisions—Information, Administrative Services, Financial Services, Personnel, and Technical Services.

¹Under the U.S. Grain Standards Act of 1976, the standardization and grading of grain are handled by the Federal Grain Inspection Service.



After taking a sample, the grader uses chemistry and laboratory techniques to check the quality of frozen strawberries.

Quality Assurance

In any grocery store, anywhere in this country, you are likely to find fresh fruits and vegetables from California and Florida, beef from Illinois, pork from Iowa, chickens from Georgia, turkeys from Minnesota, and of course many other products from many other States.

This is commonplace. We take it for granted. Moreover, we expect all of these products—and the others—to be of good and dependable quality and reasonably priced.

AMS standardization and grading services help to make this possible. They help to keep our national marketing system for food and other farm products operating in an orderly and efficient manner. They help consumers to select the kind of product they want to buy. They help retailers bring their customers good and reliable quality. They help farmers to know consumer desires

and to receive a price commensurate with the quality of their products. They make possible a fast-moving trade in perishable products across a nation that spans 3,000 miles—and beyond.

Nationally uniform standards of quality, developed and issued by AMS for farm products, are the basis for much of this trade. And they are basic to the other AMS marketing services—grading and market news. They are the tools of the Federal-State grading services, which provide official, impartial certification of quality. And they are the basis for the Federal-State market news reports—the market intelligence that helps farmers decide where and when to market and keeps products flowing to the right place, at the right time, for our unflinching food supply.

What the Grades Are

U.S. Grade A, U.S. No. 1, U.S. Choice—such terms are the language

of trade in farm products and are guides to quality for food shoppers.

These and similar grade names describe qualities of food and fiber just as pounds, dozens, and quarts describe quantities. In the same way, they are based on certain definite standards.

U.S. standards are the basis for the quality grades. These standards cannot be quite so precise as the standards for quantity—16 ounces to the pound, 4 cups to the quart—but they are based on practical attributes which determine the value and utility of the product. The standards for beef, for instance, describe such factors as the amount of marbling (fat interspersed within the lean), the color, the firmness, texture, and the age of the animal for each of the grades: USDA Prime, Choice, Good, Standard, Commercial, Utility, Cutter, and Canner. These factors are indicators of the tenderness, juiciness,



Developing standards for farm products is only part of the job for standardization specialists. They also prepare visual aids, such as color charts for tomatoes, to help graders all over the country see products the same way.

and flavor of the meat—the characteristics of beef that are important to consumers.

Standards for each product describe the entire range of quality. For this reason, the number of grades for a product depends upon its variability. While it takes eight grades to span the range of beef quality, for example, only three are required for frying chicken (U.S. Grades A, B, C) since the quality of this product does not vary so much as does that of beef. In the other extreme, there are 37 grades and more than 14 staple lengths for Upland cotton; there are from 5 to 140 grades for the various types of tobacco.

AMS standardization specialists have developed grade standards for some 300 farm products. They develop new standards as new products come along or older products find increased use and standards are needed to facilitate

trade. They revise established standards when necessary to reflect changes in production, in use, and in marketing practices—to keep them currently useful and accurate.

The men and women who develop the grade standards must be experts in their particular field. And they must study and keep up with changes in production, harvesting, movement, processing techniques, and sales of a product.

For, above all, the standards must be practical. They are meant to be used. In developing or revising standards, then, specialists must weigh the range of quality it is possible to produce against the qualities being produced in substantial amounts. It would hardly be practical to set standards for the top grade of any product so high that they would represent an ideal rather than an actuality.

And they must develop standards



An air flow instrument gives the cotton technologist an objective reading of fiber fineness and maturity of a cotton sample.

that can be easily understood and uniformly applied. For most grading is a subjective process—that is, the grader must judge the product, weighing in his mind how it compares with the standards.

In recent years, however, more objective ways of grading have been developed and put into use for a number of products. Some of the tools in use include colorimeters (used in grading cotton, tomatoes), and the refractometer (used to measure sugar content of cantaloups and grapes).

Most of the standards are written descriptions of qualities. But for several products the standards are “practical forms”—actual samples, for instance, of the various grades and staple lengths of cotton against which cotton to be classed can be compared.

The use of the U.S. standards and AMS grading services is mostly voluntary. In a few cases, local, State, or Federal laws require their use.



At a packing plant, the meat grader evaluates both the quality and yield grades of beef carcasses. Here the grader is checking her estimate of yield grade by measuring the area of the rib eye with a plastic grid.

Certifying the Quality

No matter how good the standards for farm products are, though, they lose much of their value unless they are interpreted accurately and applied consistently.

And this is exactly the purpose of the grading services provided by AMS. These grading services are often operated cooperatively with State departments of agriculture, but training and supervision of the graders remain under the control of AMS so that there will be nationwide uniformity in the grading.

Graders, like standardization specialists, must be experts in their field. And they must be able to make sound decisions, quickly and accurately, over long periods of time. Often the Government grader's decision means a higher, or a lower, price for the product.

Every working day, in all parts of this country, these graders are on the job determining and certifying the quality of the foods we eat and the fiber for the clothing we wear.

They work in meat and poultry packing houses, in fruit and vegetable and cotton producing areas, in tobacco auction markets, in the laboratories and on the production line in processing plants, in terminal markets and wholesale houses in the cities. They work, in fact, at any point where farm products are assembled into the large lots needed in today's mass merchandising system.

By far the largest amount of grading is done on the wholesale lots of food products. Consumers may see no evidence of much of this grading, but because of it, and other improvements in production and marketing, they are today getting foods of better and much more consistent quality than ever before.

For some products, grades are widely used. USDA grades are most



The poultry grader checks preparation, grade, and packaging of poultry parts at a processing plant.

often found by consumers on beef, lamb, chicken, turkey, butter, and eggs. About 65 percent of all frozen and 35 percent of all canned fruits and vegetables are graded, but on these products the grade mark may not always carry through to the retail level.

Egg Products Inspection

Continuous inspection of all processing plants producing liquid, frozen, or dried eggs is required by the Egg Products Inspection Act.

AMS inspectors in more than 150 plants across the Nation maintain constant check on sanitation of facilities and equipment, check the raw material used, and insure proper processing and pasteurization of egg products. They make sure that only clean, wholesome egg products are sold to food manufacturers, bakers, restaurants, and others who buy bulk liquid, frozen, or dried eggs.



The law also controls the disposition of certain types of shell eggs—called “restricted eggs”—which are of special concern. Restricted eggs include checked and dirty eggs, leaking eggs, incubator rejects, loss, and inedible eggs, all of which can pose a health hazard to the public.

The law requires the denaturing or destruction of all restricted eggs to prevent their use as human food, except for checked or dirty eggs, which may be sent only to official USDA-inspected processing plants for proper handling and processing. Shell egg packers and distributors are checked periodically by USDA and cooperating State agencies to see that they are following proper procedures. Restaurants and food manufacturers are checked by the Food and Drug Administration to ensure compliance with the law.

Imported egg products must meet the same rigid requirements as domestic products.

Market News ...Facts Fast

Almost everywhere trading in farm products goes on—in the country or in the city—Federal-State market new reporters are at work, checking on qualities and quantities of the products sold, the prices paid, the demand, the movement, the trends.

They gather this information constantly, throughout every trading day. And, as constantly, they get it out to the waiting public which needs it. The reports are disseminated, as a public service, through radio and television, newspapers, and magazines. Bulletin boards, mailed reports, automatic telephone recorders are also used.

Market new reporters gather and document information by personal observation of the transactions, by talking to buyers and sellers, by checking sales records. They must make sure that they are giving an accurate picture of the market—many people are relying upon their reports.

Like his fellow employees in standardization and grading work, the

market news reporter has to be an expert on each commodity he reports. For even if the product is not officially graded he often must report prices paid for the various qualities in terms of the nationally understood language—U.S. grades.

Only in this way can prices and supply and demand be realistically compared from day to day and from market to market, throughout the country.

And farmers and others who buy and sell farm products need to make these comparisons. They need market news in making decisions on how much and what kind of product to grow, on where and when to market, on whether or not to accept a price bid. This information helps to keep the marketing pipelines filled—but not overflowing—preventing unnecessary and wasteful gluts and shortages and helping provide consumers with a reliable and reasonably priced supply of foods to



Fruit and vegetable market news reporters develop knowledge of many different commodities. They frequently must judge and report quality as they gather information on prices, demand, and movement for their daily reports.

meet their daily needs.

Market news reports may help an Indiana hog grower, for instance, decide whether to ship his hogs to a terminal market or sell them at a nearby auction or direct buying station. Or if a heavy run is reported, he may decide to hold back for a few days. He will likely get these reports in his local newspaper or over radio or television—provided to these media by the Federal-State market news reporter.

Similar stories could be told about the need for market news for every other important farm commodity—and how this need is being met by the market news services.

The reports cover buying and selling of these commodity groupings: cotton and cottonseed; dairy products; poultry and eggs; fruits, vegetables, ornamentals, and specialty crops; grain, hay, and feeds; livestock, meat, and wool; tobacco and naval stores.

Market news services are operated cooperatively with State departments

of agriculture, and in the case of cotton, a price quotation committee. AMS provides the centralized direction and coordination so necessary to achieve nationwide uniformity and make the market news reports useful throughout the country.

AMS maintains a 23,500-mile leased wire system that interconnects practically all of the market news offices. This makes the news from California available in New York—and many other points across the Nation—only minutes after it is released.

These days, the rapid dissemination of market news is aided by the growing use of automatic telephone answering devices. In 40 States a farmer or trader can dial a local number and receive a recorded message—updated several times a day—with the latest market news reports for a particular commodity in his area.



As the nature of farm production and marketing changes, so too must market news. The development of large-scale feed lots like this one led to more direct sales to packer-buyers and more "riding the range" for livestock market news reporters.

Balancing Supply and Demand

When supplies of farm products outrun demand, farm prices can fall drastically. Similarly, limited supplies can raise prices to unreasonable levels.

Food Purchases

Under authority of Section 32 of Public Law 320 (74th Congress), AMS purchases food, for donation to schools, institutions, and other domestic feeding programs.

The law authorizes funds on a continuing basis—without the need for annual Congressional approval and appropriations. The amount of money available is equal to 30 percent of all customs receipts.

Section 32 purchases have been used primarily to remove temporary surpluses of perishable products, but Congress has extended use of the funds for purchasing commodities not in actual surplus for use in child nutrition programs.

AMS also buys, under authority of Section 6 of the National School

Lunch Act, some of the foods used by schools taking part in child nutrition programs. These purchases are for the purpose of helping the schools meet the nutritional requirements of the programs. Foods purchased are those that are plentiful enough so that the purchase will not disrupt commercial markets.

Thus, purchases contribute to stabilizing the market—and they help broaden geographic markets to the benefit of farmers and marketers.

Food Marketing Alert

AMS provides food marketing assistance, as needed, to help bring about an orderly flow of food commodities through regular marketing channels. This is done by encouraging consumption of foods currently most abundant, easing the demand for foods in short supply.

Each month, commodity divisions of AMS summarize the expected national supply of individual foods or food groups for the coming month—

Nonfat Dry Milk ... The Miracle Worker

Here's a tip on how to make soft, creamy portions the size of a dollar. Just measure two and four level dry milk to the cup and an equivalent amount of sugar and cream. It also saves time and space savings.

For instance, it's relatively available for water. Mix what you need when you need it. It's easy to store and keep safe for ice months. That makes it a good thing to keep around the kitchen at all times.

Once you get acquainted with this product, you'll find many other ways to use it. That's a leverage it's good to have when you need it. The dry milk is in the dry ingredients. Just water to make up the liquid measure called for. You don't have to reconstitute it for baking.

Nonfat dry milk has even found its way into dessert and ice cream as a topping for any kind of dessert, but either amount of ice water and dry milk into the blender. In a few minutes you'll have a topping the consistency of whipped cream. Good news for those watching their weight.

Best of all, most of the nutrients of fluid milk are retained in dry milk.

For the sake of economy, nutrition and resale value, it's a good time to get acquainted with this product. It's an especially heavy supply now according to the U.S. Department of Agriculture. Experts in USDA's Agricultural Marketing Service say that commercial stocks have more than doubled last year's figures.



Children: Good friends get together for a milk break. They use nonfat dry milk. And it's easy for any mother to be sure it's always ready. Good nonfat dry milk makes perfect family milk needs.

J.D. doesn't mind much of the offering of the blender, but two boys are eagerly waiting for the whipped nonfat dry milk topping.

characterizing them as plentiful, adequate, or light. The AMS Information Division condenses the summaries into a "Food Marketing Alert" bulletin, distributed around the end of the month to food media and quantity food buyers—wholesalers, retailers, institutional users, and others.

In their summaries, the commodity divisions recommend—subject to the approval of the AMS Administrator—what foods should receive special promotional assistance. This assistance is limited to situations in which the supply is burdensome to farmers seeking a market for their products.

Assistance is provided through a special issue of Food Marketing Alert, which has the same distribution as the regular monthly issue. The special issue lists the addresses of trade associations that will supply promotional materials, such as recipes or point-of-sale displays. Information is also sent to food editors and

broadcast media that will alert consumers to the fact that current supplies of the specific food are exceptionally large.

AMS does not promote foods at any specific time of year such as a special week or month, nor engage in joint industry-government promotions.

U. S. Department of Agriculture • Agricultural Marketing Service • June 1975

Picture stories may be part of the promotion assistance provided when a special Food Marketing Alert is issued.

Industry Self-Help Programs

Marketing Agreements and Orders

Ever wonder how there always seems to be enough fresh milk available? And what about those sun-sweetened, juicy oranges you find at your local store almost year round? Those things just don't happen in our complex marketing system today. Some of the credit must go to Federal marketing order programs.

Marketing agreements and orders help stabilize markets for a number of farm commodities, chiefly milk, fruits, vegetables, and certain specialty crops. They are a means through which farmers can organize for marketing — increase their bargaining strength — and generally work to solve marketing problems they cannot solve individually. AMS specialists make sure the orders operate in the public interest and within legal bounds.

The programs are voluntary — initiated and designed by farmers. A marketing order may be issued by the

Secretary of Agriculture only after a public hearing, at which farmers, marketers, and consumers may testify, and after farmers vote approval through a referendum.

For milk, a Federal order achieves market stability in a defined geographical area. The order sets minimum prices handlers (processors) must pay producers, based on current supply and demand conditions. Each order is adapted to the particular area to be regulated. Most of the Nation's major population centers are covered by milk orders. Terms of an order are carried out in the regulated market by a local administrator, appointed by the Secretary.

Federal milk orders regulate prices paid producers for milk produced for drinking purposes, commonly called Grade A milk. But having enough milk for such fluid use means that there will always be some left over. This leftover milk is used to make butter, ice cream, and other manufactured products.

Consequently, Federal milk orders require that milk be classified according to use—and a minimum price paid to producers is set for each class. Farmers are paid a “blend” price.

The money they receive is an average—based on higher prices paid for milk used in fluid form, and lower prices paid for milk used to make manufactured products. The orders do not regulate the prices consumers pay for milk, however.

Each month, the market administrator in each regulated area calculates the blend price for the month. He relies on use reports from handlers and class prices specified in the order as his guide in setting the blend price. He insures that producers receive their fair share by auditing handlers' books and by checking the weighing and testing of producers' milk.

Market administrators also

regularly publish information on the supplies, prices, and sales of milk in the regulated market. These reports are a valuable tool used by both producers and handlers in making judicious marketing decisions.

An important activity under some milk orders is the advertising, research, and promotion authority. It enables funds to be set aside for the promotion of milk and its products—including nutrition information—using a checkoff system from producers' payments.

Federal marketing orders for fruits and vegetables are also aimed at providing stable markets. They help farmers produce for a market, rather than market whatever happens to be produced. There is no direct control of pricing.

For fruits, vegetables, and related specialty crops—like nuts, raisins, and dates—a marketing order program enables an industry to regulate the handling and marketing



Butterfat testing, a service provided under Federal milk marketing orders, helps assure producers of fair payment for their milk.

of its crops so as to prevent market shortages and gluts. In addition, marketing orders can keep high quality produce on the market, standardize packs or containers, regulate the weekly flow to market, establish reserve pools for storable commodities, and authorize advertising, research, and development.

Federal marketing order programs for fruits, vegetables, and specialty crops are established in the same manner as those for milk. That is, they are proposed by producers and approved by them in a referendum. Each such order is administered by AMS through local administrative committees made up of growers and/or handlers. Committee members are nominated by the industry and appointed by the Secretary. The administrative committee recommends to USDA regulations to be issued under the order. If these recommendations are approved by

the Secretary, they are issued and become binding on the entire industry in the geographical area regulated.

Whenever the quality of a domestic commodity is regulated by a marketing order, imports of that commodity must meet the same or equivalent minimum quality standards.

Research and Promotion Programs

Another form of industry self-help is the research and promotion program. In 1976, there were programs for cotton, wheat, potatoes, wool, lamb, mohair, and eggs, and legislative authority for beef.

Through Federal legislation, farmers can finance their own coordinated programs of research, producer and consumer education, and promotion to improve, maintain, and develop markets for their commodity. Funds for the cotton, potato, and egg programs come from

assessments on producers. The wool, lamb, and mohair program is funded by deduction from price support payments to wool and mohair producers.

Each program is administered by a board appointed by the Secretary. AMS monitors each board's activities.

Before a research and promotion order can be implemented, public hearings must be held on the proposed order to give interested persons an opportunity to present evidence for or against the proposal. Based on evidence received at the hearings, USDA proposes a final order and submits it to producers in a referendum to see if they approve or not. If approved, the order becomes effective after the board has been appointed by the Secretary and operational rules and regulations are established.

Toward Fair Play in Marketing



Assurance of dependable supplies and reasonable prices and protection against misrepresentation of products and against unfair business practices are important to producers, marketers, and consumers of food and farm products. And these are the purposes of the marketing regulation programs carried out by AMS.

AMS administers five major regulatory laws—the Perishable Agricultural Commodities Act, the Federal Seed Act, the Plant Variety Protection Act, the U.S. Warehouse Act, and the Agricultural Fair Practices Act. It also provides transportation services that help to get equitable rates and services for farmers in marketing their products.

Perishable Agricultural Commodities Act

The Perishable Agricultural Commodities Act is designed to encourage fair trading practices in

the marketing of fresh and frozen fruits and vegetables. It prohibits unfair and fraudulent practices and it provides a means of enforcing contracts in interstate or foreign commerce. It cuts risks in the marketing of these highly perishable foods and thus speeds their reliable delivery to consumers.

The PAC Act provides a code of ethics for the fruit and vegetable industry that might be summed up as "Get what you pay for—and pay for what you get."

It requires that parties comply with the terms of their contracts. The seller must ship the specified quantity and quality—and the buyer must accept shipments delivered as promised. The buyer must pay promptly for purchased shipments, issue accurate accounts of sales, and pay net proceeds due for consigned shipments.

Misbranding of fruits and vegetables is prohibited. The Act does not require any particular

marking on containers, but those that are used must be accurate.

Misrepresentations concerning grade, State of origin, and weight are unfair trading practices prohibited by the Act.

Practically everyone in the produce industry, from growers' agents to large retailers, is covered by the Act. Except for growers marketing only their own crops, everyone who trades in fresh or frozen fruits or vegetables which move in interstate commerce must have a PACA license. This license can be suspended or revoked for violations of the Act. The Act permits a violator to settle his liability for a misbranding violation informally by paying a monetary penalty up to a maximum of \$2,000.

To administer the PAC Act, the AMS Fruit and Vegetable Division maintains four field offices in addition to a staff in Washington, D.C. These offices handle complaints involving unfair trading practices in the

marketing of fruits and vegetables. They endeavor to bring parties together and arrange informal settlements of disputes.

Perhaps more important than settling disputes is preventing them. PACA representatives regularly furnish advice to growers, shippers, and buyers on their marketing transactions when requested to do so, informing them of their rights and responsibilities under the PAC Act.

They also make spot checks from time to time at packing sheds, shipping points, terminal markets, and similar places, to make sure that the provisions of the Act prohibiting misbranding are being observed.

Federal Seed Act

Good seed is basic to good agriculture—and to our food, feed, and fiber crops. Enforcement of the Federal Seed Act protects consumers as well as farmers and all who deal in seeds.

This law requires that all agricultural and vegetable seeds that move in interstate commerce be truthfully labeled. It prohibits false advertising. And it prohibits importations of low quality seed and screenings. The Act does not cover seeds of flowers and ornamental plants.

Labels for agricultural seed must state such information as the kinds and percentages of seed in the container, percentages of inert matter and weed seeds, germination percentage and the date tested, and the name and address of the shipper.

Vegetable seeds in small containers must meet specified standards for germination or be labeled to indicate that they are below standard. Other detailed labeling is not required.

Enforcement of the law is the responsibility of the AMS Grain Division. State governments cooperate closely, for each of the 50



Seed analysis is an essential part of enforcing the Federal Seed Act, assuring buyers of truth in seed labeling. Samples are analyzed for purity, kind, and variety, as well as amounts of waste matter. Germination tests are run, too.

States has its own seed law, too. In the five Federal seed laboratories in different parts of the country, technicians analyze seed samples sent in by cooperating State seed inspectors who suspect violations. The analysts must be able to identify all kinds of seeds, separate the pure seeds from weed seeds, and make germination tests and trueness-to-variety tests.

Under a cooperative sampling arrangement with the Bureau of Customs, AMS technicians test all imported agricultural and vegetable seed to determine if it meets the standards of quality established under the Seed Act for entry into this country.

Criminal prosecution or civil action may be brought for violations of the law. Many such actions are brought each year—some for misrepresentation of germination rates or purity of the seed, and some for false labeling as to variety.



Grain elevators are among the storage facilities licensed under the U.S. Warehouse Act that offer producers assurance as to the quality and quantity of their stored products. Receipts issued to producers by licensed warehouses are as negotiable as cash.

Plant Variety Protection Act

Protection from having their "inventions" exploited by others is offered under the Plant Variety Protection Act to breeders of plants that reproduce sexually—that is, through seeds. Developers of new varieties of plants such as soybean, garden bean, and marigold can apply to AMS for certificates of protection. AMS examiners determine if the variety actually is novel and entitled to protection. The holder of the certificate can use the courts to protect his rights—to keep a second party, for example, from selling the novel variety without authority, exporting it, or sexually multiplying it as a step to selling it.

U.S. Warehouse Act

Safe storage plays an important part in the orderly marketing of agricultural commodities. When immediate sale is not advantageous, farmers and others who produce or

merchandise these commodities want to be assured that their property will be properly safeguarded and maintained in good condition while in storage.

It is a function of the U.S. Warehouse Act to provide assurance of safe storage, through the operation of a warehouse-licensing system and a program of periodic inspections of licensed warehouses and their contents. Licensed warehouses are, in a very real sense, bankers of farm commodities— and the AMS warehouse examiners work much like bank examiners. Receipts for products stored in these federally licensed public warehouses have real value—they can be bought or sold or used to obtain credit.

Purely a voluntary service, inspection and licensing under the Warehouse Act is not required. It is provided only to those who request it and can qualify. More than 1,900

public warehouses, in 38 States, are licensed under the Act. They store almost all kinds of staple agricultural products— grain, cotton, dry beans, wool, tobacco, and others. They can store some \$10 billion worth of products, and are generally pretty well filled.

AMS warehouse examiners are kept busy making the rounds of these warehouses—inspecting facilities and products, personnel and policy. It is their responsibility to be sure that each federally licensed warehouse meets its obligations in terms of physical inventory, warehouse structure, and financial condition.

Warehouse examination is extended also, as a means of safeguarding farm commodities on which loans have been made under price support programs, to warehouses operating under agreements and contracts with the Commodity Credit Corporation.



Transportation services and rates are at the heart of marketing food and farm products. AMS, therefore, has an interest—and a responsibility—in seeing to it that both are as equitable, as fair, as possible. Moving grain by rail, water, or truck may seem of little interest to consumers, but it can play an important role in the price they pay for food.

Agricultural Fair Practices Act

Has a processor refused to deal with a farmer because he is a member of a producers association? If so, the farmer can file a complaint with AMS under the Agricultural Fair Practices Act of 1967.

The Act makes it unlawful for handlers of agricultural commodities to coerce, intimidate, or discriminate against producers because they belong to a producers association. Farmers whose rights are violated in this respect can get AMS help in asking the Federal courts to restrain handlers from such unlawful practices. Handlers of cotton and tobacco are exempt from the law.

Transportation Services

Transportation costs take a big share of the consumer's food dollar. So good, efficient transportation services for farm products and reasonable rates are important to everyone. They are of particular

importance to farmers, both in marketing their products and in getting the supplies they need—the mixed feed, fuel, fertilizer, machinery, and so on—to the farm.

To help them get such services and rates in today's dynamic and rapidly changing transport situation is the responsibility of the Transportation and Warehouse Division—a responsibility specifically assigned by Congress to USDA.

Working on this job are a staff of rail, water, motor truck, and air transportation specialists, transportation economists, and cost accountants. They work closely with farmers, shippers, farm organizations, consumers, other Government agencies, and State departments of agriculture. They frequently conduct transportation workshops for various State and area producer and marketing groups.

Often they are able to bring about needed changes in freight services or rates through informal negotiation with individual carriers or groups of carriers. When necessary, they file complaints or petitions and testify in formal proceedings before Federal and State agencies which regulate transportation.

The AMS specialists continuously study the transportation system and how it is affecting farmers and the general public. They must keep up with the situation so that they will be able to assess proposed changes in rates and services and determine when changes are needed. These studies form the basis for USDA policy on transportation.

Federal Laws ...Basis of AMS Programs

The Act of August 24, 1935 (Public Law 320)—Section 32—Authorizes purchase, export, and diversion programs to widen market outlets for surplus farm commodities. Provides for limited price assistance to farmers and for increasing the use of agricultural products among low-income groups.

Agricultural Adjustment Act of 1938—Section 201—Authorizes work to assist producers and cooperatives in obtaining and maintaining equitable transportation rates, charges, and services on farm products and farm supplies.

Agricultural Fair Practices Act—Protects farmers' rights to organize and to join cooperatives. Establishes standards of fair practices for handlers and processors of agricultural commodities who deal with farmers, prohibiting them from discriminating in any way against

members of a producers association. Handlers of cotton and tobacco are exempt from the law.

Agricultural Marketing Act of 1946—Provides the basic authority for many functions of the Agricultural Marketing Service. This Act authorizes Federal standards for farm products, grading and inspection services, market news services, cooperative agreements, transportation services, market expansion activities, consumer education work, and various other functions of AMS.

Agricultural Marketing Agreement Act of 1937, As Amended—Authorizes establishment of marketing orders and agreements to regulate the handling of milk and setting of minimum prices to farmers, and to regulate quality or quantity of shipments and types of containers



Imported dates are checked to make sure they meet the same quality requirements as those which U.S. dates must meet. Quality requirements for domestic dates are set under a Federal marketing order initiated by growers and operated under AMS supervision.

and packs of specified fruits, vegetables, nuts, hops, and certain other commodities. Also requires regulation of imports into the United States of certain of these commodities whenever domestic shipments are subject to quality regulations under a marketing order.

Beef Research and Information Act— Enables beef producers to establish, finance, and carry out a nationally coordinated program of research, producer and consumer information, and promotion to improve, maintain, and develop markets for cattle, beef, and beef products. Implementation is underway.

Cotton Futures Provisions of The Internal Revenue Code of 1954— Requires that each bale of cotton delivered in settlement of futures contracts be classed by a USDA

cotton classing office. Also provides for the designation of bona fide spot cotton markets and the issuance of cotton price quotations for these markets.

Cotton Research and Promotion Act— Authorizes a research and promotion order for sponsoring projects which improve cotton and its products and increase sales in U.S. and foreign markets.

Cotton Statistics and Estimates Act— Provides for (1) a report on estimates of the grade and staple lengths in the carryover of cotton stocks as of August 1 each year; and (2) periodic reports each year on estimates of the grades and staple lengths of the cotton crop.

(a) Smith-Doxey Amendment— Provides a free cotton classing and market news service to groups of farmers organized to promote the improvement of cotton.



Inspection of tobacco is mandatory at auction markets designated by the Secretary under the Tobacco Inspection Act. Growers must request and approve inspection in a referendum. A market news reporter (left) and inspector discuss grading of Maryland tobacco.

(b) Cotton Service Testing

Amendment— Provides cotton fiber tests and small-scale spinning tests for breeders, merchants, consumers, and others to promote objective measures of cotton quality, orderly marketing, and better varieties of cotton.

Egg Products Inspection Act—

Requires continuous USDA inspection of all egg processing plants, restricts certain types of shell eggs from moving into consumer channels, and prohibits State or local governments from imposing standards differing from official USDA standards for grade and size for eggs moving in interstate commerce.

Egg Research And Consumer

Information Act— Enables egg producers to finance and carry out a coordinated program of research, producer and consumer education, and promotion to improve, maintain, and develop markets for eggs, egg

products, spent fowl (laying hens no longer productive), and products of spent fowl. Financed through assessments on producers.

Export Apple And Pear Act—

Requires inspection of fresh apples and pears exported from the United States to determine that they meet minimum quality specifications established under this Act by the Secretary of Agriculture.

Export Grape And Plum Act—

Requires inspection of export shipments of those types of fresh grapes and plums for which the Secretary of Agriculture has established minimum quality specifications under this Act.

Federal Seed Act— Requires truthful labeling of seed shipped in interstate commerce, prohibits false advertising, and prohibits importation of low

quality seed and screenings.

National Wool Act— Defines a procedure for making support payments to producers of wool and mohair. Payments are made when returns do not reach levels specified by law. The Act also allows for deductions to be made from the payments to provide funds for advertising, promotion, and related market development activities for mohair, wool, and lambs. The deductions must be approved by producer referendum.

Naval Stores Act— Provides for defining and establishing standards; establishing methods for analysis, inspection, sampling and grading of naval stores products; and regulating the labeling, advertising, and packing of such products for sale in commerce.

Perishable Agricultural Commodities Act— Prohibits unfair and fraudulent

practices in the marketing of fresh or frozen fruits and vegetables and requires that dealers, commission merchants, brokers, shippers, and growers' agents handling these commodities in interstate or foreign commerce be licensed.

Plant Variety Protection Act—Extends protection to developers of plants which reproduce sexually—that is, through seeds. Holder of certificate can use the courts to protect his "invention" from being exploited by others.

Produce Agency Act—Prohibits fraudulent practices in connection with consignment transactions involving all types of perishable farm produce received in interstate commerce, such as dairy and poultry products, fresh fruits and vegetables, cut flowers, and Christmas trees.

Tobacco Inspection Act—Provides for establishing and promoting the use of standards of classification for tobacco and maintaining official tobacco inspection and market news services.

Tobacco Plant and Seed Exportation Act—Prohibits the exportation of tobacco seeds and plants except for experimental purposes.

Tobacco Stocks and Standards Act—Provides for the collection of statistics on stocks of leaf tobacco held by dealers and manufacturers and publication of these and other statistics for tobacco.

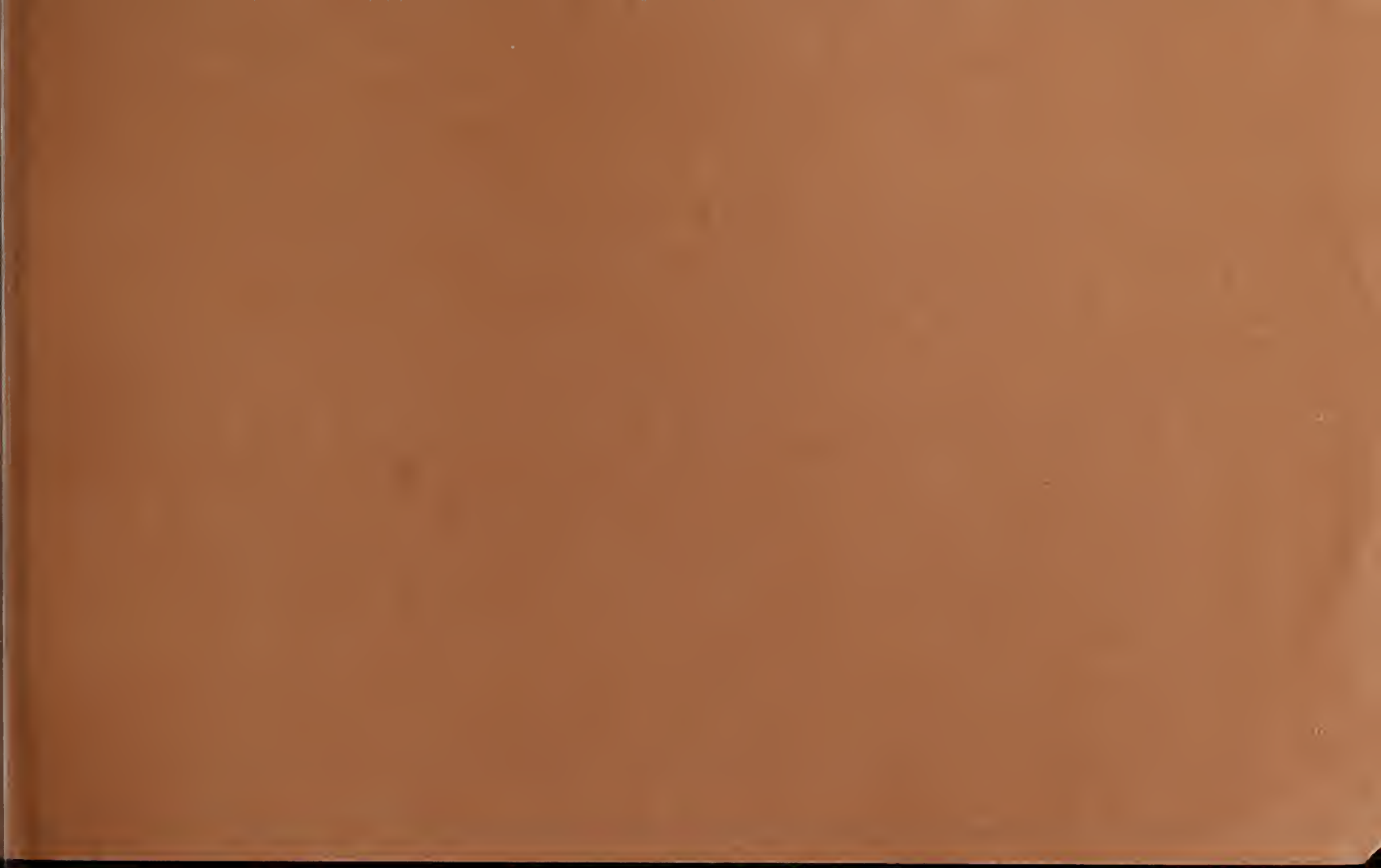
U.S. Cotton Standards Act—Provides for (1) establishment, preparation, distribution, and use of official standards for cotton, and (2) a cotton classing service on a fee basis for shippers, spinners, and the general public.

U.S. Warehouse Act—Authorizes licensing and bonding of public warehouses for storage of agricultural products. Provides for periodic inspection of warehouses and products to insure the safekeeping of the products stored.

Wheat Research and Promotion Act—Authorizes a program of research and promotion designed to expand domestic and foreign markets and increase utilization for U.S. wheat. Current projects include development of new wheat products, new and more nutritious varieties of wheat, and consumer-oriented promotional efforts.

Wool Standards Act—Authorizes the use of certain funds for wool standardization and grading work.

Photo on page 10 courtesy of United Fresh Fruit and Vegetable Association.



All AMS services and benefits are available without regard to race, color, creed, sex, or national origin. If you know of any violations of this principle, send details to the Secretary of Agriculture, Washington, D.C. 20250.